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News Release

FOR IMMEDIATE RELEASE
Tuesday, May 12, 2009

Alexandria man indicted for wire fraud

A 29-year-old Alexandria man was indicted yesterday in federal court on nine counts of wire fraud and one count of money laundering in connection with a scheme to conceal payments from mortgage loan proceeds.

Micah John Beaumia was charged May 11 in Minneapolis. His indictment alleges that from 2005 through 2006 Beaumia devised the scheme through his involvement with LHS Mortgage, Inc., located in Burnsville and Anderson Gabriel Mortgage, Inc., located in Alexandria. It also alleges that the concealed payments were diverted to buyers of real properties (either Beaumia or a relative) through the use of fraudulent underwriting and closing documentation.

Beaumia allegedly caused fraudulent loan application documentation to be provided to potential lenders for purposes of loan underwriting. This fraudulent documentation misrepresented the true terms of the proposed transaction and, in some instances, the identity of the mortgage broker, and it falsely overstated the true purchase price to be paid by the buyer for a property and concealed payments that were to be made from the loan proceeds to the buyers and other individuals.

Based on the fraudulent documentation, the proposed loans were approved, totaling more than \$2.2 million in loan proceeds.

After each loan was approved based on the fraudulent underwriting package allegedly provided by Beaumia, the lender disbursed loan proceeds to a title company. Beaumia then allegedly worked with a closing agent of the title company to execute the fraudulent scheme by disbursing the funds in a manner other than what was understood by the lender – namely the concealed payments. The closing agent also provided fraudulent settlement statements to the lender in an effort to conceal the scheme.

In at least 12 separate real estate transactions, either Beaumia or a relative of Beaumia acted as the buyer of the properties. Through these transactions, Beaumia allegedly secured approximately \$430,000 in concealed payments.

For the purpose of executing the scheme, the indictment alleges that Beaumia knowingly caused 10 wire transfers of loan proceeds. The indictment also alleges that on Oct. 17, 2005, Beaumia signed over an \$18,000 cashier's check as partial payment for a Wild West Dragon motorcycle using proceeds derived from his scheme.

If convicted, Beaumia faces a potential maximum penalty of 30 years in prison on each of the wire fraud counts and 10 years in prison on the money laundering count. All sentences are determined by a federal district court judge.

This case is the result of an investigation by the Internal Revenue Service-Criminal Investigation Division. It is being prosecuted by Assistant United States Attorney Tracy L. Perzel.

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An indictment is a determination by a grand jury that there is probable cause to believe that offenses have been committed by a defendant. A defendant, of course, is presumed innocent until he or she pleads guilty or is proven guilty at trial.